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United Arab Emirates

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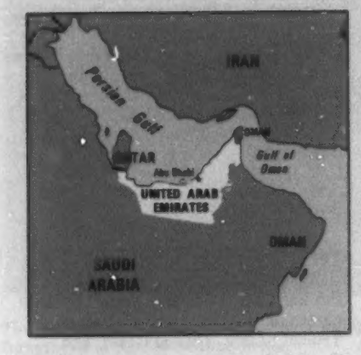

Official Name:
United Arab Emirates

PROFILE

People

Nationality: *Noun*—Emiran (or Emiri). *Adjective*—UAE. **Population** (1981 est.): 1,130,000. **Annual growth rate** (1979–82): 12%. **Ethnic groups:** Arab, Iranian, Pakistani, Indian (fewer than 20% of population are UAE citizens). **Religions:** Muslim 90%, Hindu, Christian. **Languages:** Arabic (official), Farsi and English widely spoken, Hindi, Urdu. **Education:** *Years compulsory*—ages 6–12. *Literacy*—56.3% (1975 est.). *Life expectancy*—62.4 yrs. **Work force** (90%–95% foreign): *Agriculture*—5%. *Industry and commerce*—85%. *Services*—5%. *Government*—5%.

Geography

Area: About 82,880 sq. km (32,000 sq. mi.); roughly the size of Maine. **Cities:** *Capital*—Abu Dhabi (pop. 449,000, 1980 est.). *Other cities*—Dubai (278,000), Sharjah (159,000). **Terrain:** Desert. **Climate:** Hot and dry.

Government

Type: Federation of emirates. **Independence:** December 2, 1971. **Provisional constitution:** December 2, 1971.

Branches: *Executive*—Seven-member Supreme Council of Rulers, which elects president and vice president. *Legislative*—40-member National Consultative Council. *Judicial*—secular legal codes being introduced; Islamic law influential.

Subdivisions: Seven largely self-governing city-states.

Political parties: None. **Suffrage:** None.

Central government budget (1982): $6.147 billion. **Defense:** 35.5% of budget; $2.179 billion (1982 est.).

Flag: A vertical red stripe on the staff side and three horizontal stripes—green, white, and black from top to bottom—on the right.

Economy

GDP (1981): $27 billion. **Annual growth rate** (1981 est.): 5%. **Per capita income** (1981 est.): $24,000. **Avg. inflation rate** 1979–81: 16% est.

Natural resource: Oil.

Agriculture (1% of GDP): Vegetables, dates, limes.

Industries (85% of GDP): Light manufactures, petroleum.

Trade (1981): *Exports*—$21.56 billion: petroleum. *Major markets*—EC, Japan, US (5.6%). *Imports*—$9.1 billion: machinery, consumer goods, food. *Major suppliers*—Western Europe, Japan, US (13.1%).

Official exchange rate: 1 dirham = US$0.28; US$1 = 3.669 dirhams.

Economic aid sent (1980 est.): $1.1 billion, principally to Third World Arab and Muslim countries.

Membership in international organizations: UN and its specialized agencies (World Bank, IMF, ICAO, ILO, UPU, WHO, WIPO), Arab League, Organization of Petroleum Exporting Countries (OPEC), Organization of Arab Petroleum Exporting Countries (OAPEC), Nonaligned Movement.

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PEOPLE

The population of the United Arab Emirates is estimated at about 1,130,000; however, accurate census data are not available. Fewer than 20% of the population are U.A.E. citizens. Indigenous Emiris are Arab; the rest of the population includes significant numbers of other Arabs—Palestinians, Egyptians, Jordanians, Yemenis, Omanis—as well as many Iranians, Pakistanis, Indians, and West Europeans, especially in Dubai.

Most of the indigenous people are Sunni Muslims. Many Hindus and Christians reside in the foreign communities of the U.A.E., but few of these people are granted citizenship rights.

The literacy rate, estimated at 56.3% among the indigenous population, is rising rapidly. New educational facilities have been established throughout the country since 1973. Citizens and temporary residents have taken advantage of the new educational facilities.

HISTORY

European and Arab pirates roamed the Trucial Coast area from the 17th century into the 19th century, hence the former label, "Pirate Coast." Early British expeditions against the pirates led to further campaigns against their headquarters at Ras al-Khaimah and other harbors along the southwest coast in 1819. The following year, a general peace treaty was signed to which all the principal shaikhs of the coast adhered. Piracy continued intermittently until 1835, when the shaikhs agreed not to engage in hostilities at sea. In 1853, they signed a treaty with the United Kingdom, under which the shaikhs agreed to a "perpetual maritime truce." It was enforced by the United Kingdom, and disputes among shaikhs were referred to the British for settlement.

Primarily in reaction to the ambitions of other European countries, the United Kingdom and the Trucial States established closer bonds in an 1892 treaty, similar to treaties entered into by the British with other Persian Gulf principalities. The shaikhs agreed not to dispose of any territory except to the United Kingdom and not to enter into relationships with any foreign government other than the United Kingdom without its consent. The British promised to protect the Trucial Coast from all aggression by sea and to lend their good offices in case of land attack.

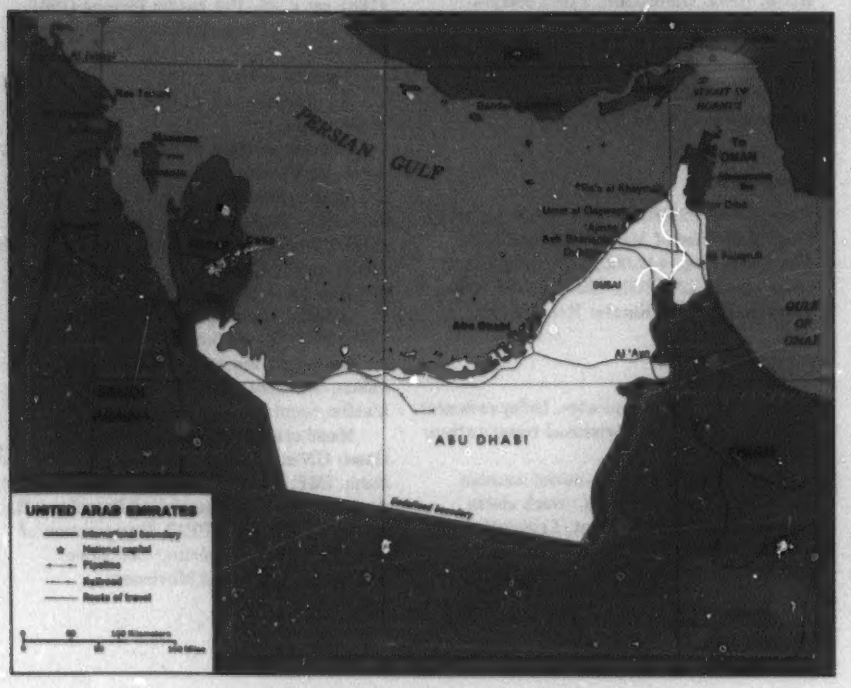
In 1955, the United Kingdom effectively intervened on the side of Abu Dhabi in the latter's dispute with Saudi Arabia over the Buraimi Oasis and other territory to the south of the Trucial States. Control over the oasis is shared between Abu Dhabi and the Sultanate of Oman. In 1974, Abu Dhabi reached agreement with Saudi Arabia, settling the old Abu Dhabi-Saudi border dispute; the agreement has yet to be ratified by the U.A.E. Government. Some minor disagreements with Oman remain unsettled.

In 1968, the U.K. Government announced its decision, reaffirmed in March 1971, to end the treaty relationships with the gulf shaikhdoms. The seven Trucial Shaikhdoms joined the other two states (Bahrain and Qatar) under British protection in an effort to form a union of Arab emirates. By mid-1971, however, the nine shaikhdoms still had not been able to agree on terms of union, and the termination date of the British treaty relationship, end of 1971, was approaching. Bahrain became independent in August and Qatar, in September 1971. When the British protective treaty with the Trucial Shaikhdoms ended on December 1, they became fully independent. On December 2, 1971, six of them entered into a union called the United Arab Emirates. The seventh, Ras al-Khaimah, joined in early 1972.

GEOGRAPHY

The U.A.E. is in the eastern Arabian Peninsula, bounded on the north by the Persian Gulf. Formerly known by such names as the Trucial Shaikhdoms, Trucial States, Trucial Coast, and Trucial Oman, the emirates include Abu Dhabi, in which the federal capital is located; Dubai, the major commercial center; and Sharjah, Ajman, Umm al-Qaiwain, Ras al-Khaimah, and Fujairah. During the past decade, economic development has transformed these villages into modern city-states with an impressive, growing infrastructure.

A barren, flat, island-dotted coast extends eastward from Khor al-Udayd (south of the boundary with Qatar) for about 644 kilometers (400 mi.). Inland, the coastal plain gradually gives way to rolling sand dunes that extend southward, eventually merging into the great, virtually uninhabited wasteland of the Rub al-Khali (Empty Quarter) of Saudi Arabia. At its eastern end, the coast includes the western Hajar Mountains. The seven emirates are connected by good, paved roads.



The Maqta Bridge is one of two bridges linking Abu Dhabi (city) to the mainland. In the foreground is the old customs house.

GOVERNMENT

Administratively, the U.A.E. is a loose federation of seven emirates, each with its own ruler.

The pace at which local government in each emirate is evolving, from traditional to modern, is set primarily by wealth, population, and the economic and social policies of the ruler. Under the provisional constitution of 1971, each emirate reserves considerable powers, including control over mineral rights, taxation, and police powers. In this milieu, the growth of federal powers has developed slowly. In December 1981, the constitution was extended for another 5 years.

The constitution established the positions of president (chief of state) and vice president, each serving 5-year terms; a Council of Ministers (cabinet), led by a prime minister (head of government); a Supreme Council of Rulers; and a 40-member National Assembly, a consultative body with weighted representation. Members are appointed by the rulers. In a major political step, the ruler of Dubai, Shaikh Rashid, became prime minister in the spring of 1979.

A federal Supreme Court was established by the constitution.

Principal Government Officials

Supreme Council

President, Ruler of Abu Dhabi—Shaikh Zayid bin Sultan al-Nuhayan
Vice President and Prime Minister, Ruler of Dubai—Shaikh Rashid bin Said al-Maktum
Ruler of Sharjah—Shaikh Sultan bin Mohammad al-Qasimi
Ruler of Ajman—Shaikh Humaid bin Rashid al-Nuaimi
Ruler of Umm al-Qaiwain—Shaikh Rashid bin Ahmad al-Mualla
Ruler of Ras al-Khaimah—Shaikh Saqr bin Muhammad al-Qasimi
Ruler of Fujairah—Shaikh Hamad bin Muhammed al-Sharqi

Ministers

Agriculture and Fisheries—Sa'id al-Raqbani
Communications—Muhammad Sa'id al-Mulla
Defense—Muhammad bin Rashid al-Maktum
Economy and Trade—Vacant
Education and Youth—Sa'id Salman
Electricity and Water—Humaid Nasir al-Uwais
Finance and Industry—Hamdan bin Rashid al-Maktum
Foreign Affairs—Vacant
Health—Hamad 'Abd al Rahman al-Madfa
Information and Culture—Ahmad bin Hamid al-Nahayan
Interior—Mubarak bin Muhammad al-Nahayan

Justice, Islamic Affairs, and Religious Trusts—Muhammad 'Abd al-Rahman al-Bakr
Labor and Social Affairs—Sayf 'Ali al-Jarwan
Petroleum and Mineral Resources—Dr. Mana Sa'id al-Otaiba
Planning—Vacant
Public Works and Housing—Muhammad Khalifa al-Kindi
Minister of State—Ahmad bin Sultan al-Qasimi
Minister of State for Foreign Affairs—Rashid Abdullah 'Ali al-Nu'aymi
Minister of State for Cabinet Affairs—Sa'id al-Ghayth
Minister of State for Internal Affairs—Hammudi bin Ali al-Dhuhiri
Minister of State for Supreme Council Affairs—'Abd al-'Aziz bin Hamid al-Qasimi

Ambassador to the United States—Ahmad Salim al-Mokarrab
Ambassador to the United Nations—Fahim Sultan al-Qassimi

The U.A.E. Embassy in the United States is at 600 New Hampshire Avenue NW., Suite 740, Washington, D.C. 20037 (tel. 202-338-6500). The U.A.E. maintains an office to cover U.N. affairs: U.A.E. Mission to the U.N., 747 - 3d Avenue, 36th Floor, N.Y., N.Y. 10017 (tel. 212-371-0480).

NATIONAL HOLIDAYS

Shops and businesses may be closed on the following holidays. Dates are approximate; actual date depends on lunar calendar.

Prophet's Birthday	January 7
Eid al-Fitr	July 22-24
Eid al-Adha	September 28-30
Islamic New Year	October 18
U.A.E. National Day	December 2 (fixed date)

POLITICAL CONDITIONS

The distribution of power among the emirates is reflected in the allocation of positions in its federal government. The Shaikh of Abu Dhabi, whose emirate is the wealthiest, is president of the U.A.E. The Shaikh of Dubai, which is the commercial center of the Trucial Coast and a significant oil producer, is vice president and prime minister.

Since achieving independence in 1971, the U.A.E. has begun to strengthen its federal institutions. Although each emirate still retains substantial autonomy, the power of the central government gradually is becoming more firmly established. A basic concept in the U.A.E. Government's development as a federal system is that a significant percentage of each emirate's revenues will be devoted to the U.A.E. central budget. The budget provides for economic and social development throughout the U.A.E. To date, however, Abu Dhabi has contributed most to the federal budget. In 1981, for the first time, its share of the budget dropped below 90%.

The U.A.E. has no political parties. Arab nationalism is developing, and sentiment is growing, particularly among urban youth, in favor of government liberalization and accelerated economic development. The influx of wealth and modern technology in the emirates has added to the growing pains of rapid modernization. Workers from neighboring states stream in and add the strain of a large foreign population.

ECONOMY

Petroleum dominates the economy of the U.A.E., accounting for almost all of its export earnings and providing significant opportunities for productive investment. U.A.E. oil production declined somewhat in 1981 to about 1.5 million barrels per day (b/d). Abu Dhabi continued to reduce its production (1.06 million b/d in December 1981), while exploring and expanding its known reserves. Dubai maintained full production at about 365,000 b/d. Sharjah, a marginal oil producer, averaged about 12,500 b/d throughout 1981. New exploration agreements between foreign oil companies and the smaller emirates were signed in 1981. The United States imports about 6% of its imported oil from the U.A.E.

The gross domestic product (GDP) reached $27 billion in 1981 and is expected to rise slowly, if at all, during 1982.

The development of the Abu Dhabi oil industry, including the major Ruwais gas-gathering and refinery complex and the exploitation of the Upper Zakum offshore oil structure, has been of major commercial interest and will take 10-12 years to complete. The major contracts associated with the larger development projects have been let. Included in the list of projects are management of the Ruwais port, design for the Ruwais town, construction of a port for liquified natural petroleum gas (LNPG), storage tanks and loading facilities, design of oil platforms at Upper Zakum, additional refinery capacity, fertilizer plants, and a hydrocracker and separation plant. The

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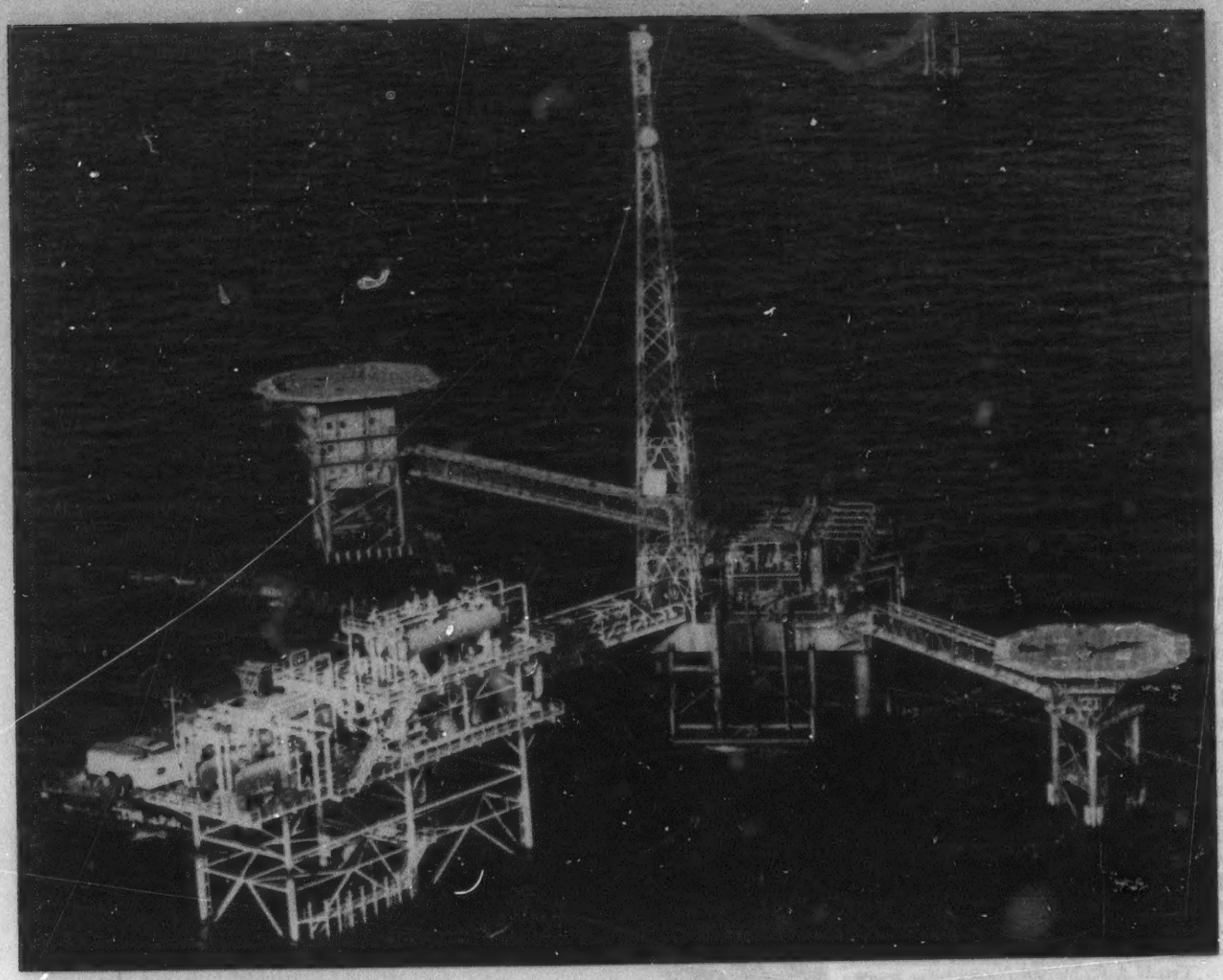
For information on foreign economic trends, commercial development, production, trade regulations, and tariff rates, contact the Office for the Near East, U.S. Department of Commerce, Washington, D.C. 20230 (tel. 202-377-5545) or any Commerce Department district office.



Offshore oil platforms at Upper Zakum are part of the U.A.E.'s expanding oil industry.

Ruwais oil refinery was completed in 1981. Current plans call for a liquefaction plant for nonassociated natural gas and an iron and steel complex.

Even with large import expenditures, estimated at $9.1 billion in 1981, current account surpluses have been massive—about $8.2 billion in 1981—though down from $9.2 billion in 1980. Overall balance of payments in 1981 showed a surplus of $3.2 billion. Income from investments in 1981 is estimated to be more than $1 billion. The Abu Dhabi Investment Authority (ADIA) has the primary responsibility for overseeing the investment of Abu Dhabi cash surpluses.

As in most of the oil-rich Persian Gulf, the 1974–77 boom in the U.A.E. has ended. Local construction, which proceeded at a feverish pace following the 1973–74 rise in oil prices, has cooled down considerably. Overconstruction of office buildings and houses in Abu Dhabi, Dubai, and Sharjah has resulted. Infrastructure projects such as roads, schools, and hospitals still are planned throughout the U.A.E.

In Dubai, the major deep-water port complex, Jebel Ali, which includes 75 berths, a steel fabrication unit, a power plant and associated desalination units, an aluminum smelter, and an LNPG facility, has been completed. In May 1980, Jebel Ali became the first free trade zone in the region, and all goods for reexport or transshipment enjoy 100% customs-duty exemption.

In December 1980, the U.A.E. created a central bank. The emirates of Dubai and Abu Dhabi pledged to deposit half of their oil revenues (estimated at $20 billion). The bank was capitalized at $81.4 million, with an eventual permanent deposit of $4 billion. Ruled by a 7-member governing board, the bank's charter gives it greater authority to control domestic monetary affairs. In 1981, the bank restricted foreign banks to no more than eight branch offices and has moved to tighter credit.

The U.A.E. continues to increase its import levels, to provide consumer goods to its small but growing population, and to complete major construction projects. Imports measured on a c.i.f. basis reached about $9.1 billion in 1981 with the U.S. share about 13.1%. Japan, the United Kingdom, and the United States are the major trading partners of the U.A.E.

Most of the U.A.E. is desert, where temperatures reach 49°C (120°F) in the shade. In the eastern mountains, the climate is cooler, with enough annual rainfall (about 38 cm.—15 in.) to permit some cultivation.

DEFENSE

The Trucial Oman Scouts, long the symbol of public order on the coast and commanded by British officers, were turned over to the U.A.E. as its defense force. However, until 1976, the larger emirates, notably Abu Dhabi, maintained relatively substantial defense establishments. In 1976, the various emirate defense forces were brought under a unified command. The ability of the U.A.E. to maintain political order was proven in early 1971, when the defense force joined local security forces in Sharjah in putting down a coup d'etat attempt in which the ruler of Sharjah was assassinated.

The U.A.E. armed forces have more than 26,000 troops. The U.A.E. Defense Force and the armed forces of the emirates of Abu Dhabi, Dubai, Ras al-Khaimah, and Sharjah were merged in 1976; however, Dubai continues to maintain a separate defense force.

The U.A.E. air force has about 1,800 personnel; equipment includes French Mirages, Hunter aircraft, and helicopters. The U.A.E. navy is small—about 600 personnel—and maintains coastal patrol boats. In 1980 and 1981, the U.A.E. devoted a larger part of its budget and national attention to upgrading its defensive capabilities.

France and the United Kingdom are the main suppliers of military equipment to the U.A.E. Expatriates from Oman, Pakistan, and Jordan are represented heavily in the U.A.E. armed forces. As in other sectors, the U.A.E. seeks to

TRAVEL NOTES

Climate and clothing—May through mid-October is hot, and summer attire is necessary. From mid-October through April, temperatures range from 7°C to 27°C (45°F–80°F), and spring/fall clothing is suitable.

Customs—A visa is required for entry. The UAE issues business visas; there is no tourist category. Allow 6 weeks for processing. No immunizations are required. Health requirements change; check latest information.

Health—No unusual precautions in food and drink are necessary. Water is potable. Several well-trained doctors practice in the UAE.

Telecommunications—A modern telephone system links the seven emirates. International telephone and telex communications are good. Abu Dhabi is 9 hrs. ahead of eastern standard time.

Transportation—Four international airports in the UAE operate scheduled flights.

place its own citizens in leadership positions; however, the U.A.E. is still dependent on foreigners in all sectors of the economy.

FOREIGN RELATIONS

The U.A.E. began in an atmosphere of general acceptance by, and friendly relations with, the international community. It joined the United Nations and the Arab League and was immediately recognized by the United Kingdom, most Arab states and other neighbors, the United States, many Western countries, and Japan. The U.A.E. has played a moderate role in OPEC, OAPEC, and the United Nations.

The substantial development assistance from the U.A.E. has increased the nation's stature and popularity among the recipient African and Asian states. Much of the approximately $1.1 billion in aid disbursed in 1980 was targeted for Third World, Muslim nations.

The Corniche Road in Abu Dhabi extends about 8 km. along the Arabian Sea.

U.S.-U.A.E. RELATIONS

For some years, the United States enjoyed friendly, informal relations with the Trucial Shaikhdoms, a relationship built on important and mutually advantageous private U.S. contacts in the area. The region was an important source of petroleum for the United States, Western Europe, and Japan. The U.A.E. was also a significant importer of goods from the United States; imports totaled almost $1.2 billion in 1981. Conversely, the United States imported $1.3 billion, largely in petroleum, in 1981. In anticipation of the termination of the British protective treaty relationships with the Persian Gulf states, the United States, along with the United Kingdom and most Arab neighbors, urged the creation of the largest possible federation of the gulf states. Upon federation, the United States recognized the U.A.E. and agreed to establish formal diplomatic relations. The United States has had an ambassador resident in the U.A.E. since 1974.

Principal U.S. Officials

Ambassador—G. Quincy Lumsden, Jr.
Deputy Chief of Mission—Patrick Theros
Political Officer—John Klekas
Economic Officer—Bruce Carter
Commercial Officer—Charles Kestenbaum

The mailing address for the U.S. Embassy is Box 4009, Abu Dhabi, United Arab Emirates. The telephone numbers are 361534, 361535, 361998; consular section, 336691; the telex, AMEMB 22229 EM. The embassy office in Dubai, P.O. Box 5343, is headed by Economic/Commercial Officer David Stockwell (tel. 471114; telex, 46031 BACCUS EM). ■

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